



Politics of laissez faire economic reforms and rising waves of socio-political crisis in Nigeria

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Abstract

Adam Smith's doctrine of classic laissez faire economics posits that government interference in the economy retards growth. That the economy stagnates if government protect domestic industry by tariffs and getting government out of the economy promote prosperity. With the end of the Cold War and the pressure on African nations to embrace the values of democracy and economic liberalism, Nigeria hurriedly began to implement Adam Smith's classic laissez faire economic reforms under the slogan 'government has no business in business'. This has created crisis of development, unending subjective economic reforms, poverty and culture of conflict in the areas of national security. Therefore, this research study seeks to identify and analyse the correlation between economic reforms and socio-political crisis in developing countries. In the course of the analysis, the study reveals that the peculiar and unusual nature of privatization, deregulation of the exchange rate, removal of fuel subsidy and trade liberalization carried out by the government have tacitly pushed Nigeria into the poverty capital of the world, where the few that have access to political power gets richer while the citizens wallows in extreme poverty resulting into violent behaviours in form of Bokoharam terrorism, kidnapping and banditry. We, therefore conclude that although the doctrine of minimal government has brought about marginal economic growth but it has also created imperfect markets, poverty and unemployment which cumulate into insecurity and socio-political crisis in developing countries of Africa.

Keywords: laissez faire, privatization, poverty, insecurity and crisis

Introduction

Laissez faire economic principle restricts government intervention in the economy and holds that the economy is viable and strongest only when the laws of demand and supply directs the production of goods and services. It rests on pillars of free market economy and driven by rational market theory. The free market economy requires private ownership of means of production and the promotion of values of competition in the market. The force of competitive pressure regulates the market, determines prices and encourages culture of efficiency in the society. On the other, rational market theory assumes that laissez faire economic policies or decisions should be based on logic rather than emotions. Therefore, the centrifugal struggles between logic and emotion in determining the frame and dynamics of economic policies in developing nations in Africa has created controversy over the efficacy and efficiency of laissez faire policies as models for the development of African economy.

Different perceptions and interpretations have beclouded the meaning and practice of laissez faire economic model in Africa. To all intents and purposes, laissez faire economic policy has been described differently, generally abused and exploited in varying degree from country to country across Africa. In most African countries particularly Nigeria, the meaning and perception of laissez faire economy principle has been misunderstood and narrowed down to the basic issues of privatization. To Nigerian policy makers, privatization is a means to attain and consolidate the basic tenets and structure of laissez faire economic system. Hence, privatization is a means to an end because Nigerian economic elites see it as a

vehicle through which they would join the bandwagon of global capitalists without developing an ideological compass that would direct the course of economic actions and policies. Starting from Chile in 1973, the capitalist nations and even the socialist countries of Europe to the copycat countries of Africa particularly Nigeria developed interest in privatization and deregulation as a means to achieve a viable laissez faire economy. Among these nations, the objectives, perspectives, techniques of resource management and methodology of implementing the scheme visibly differ from country to country, having different effects and impact on the economy. In the socialist bloc it was seen and interpreted as Perestroika and Glasnost economic policy. In Nigeria, laissez faire economic policy of privatization and deregulation is interpreted in a single phrase: 'Government has no business in business'. Just like the Soviet Perestroika and Glasnost, the practice of privatization in Nigeria was aimed at increasing economic growth while increasing capital investment. The goal was to bring Soviet Union up to par economically with the West.

However in United Kingdom, privatization is seen as an aspect of economic transformation used as one of the core methods or means of reversing the effects and structure of socialism into a laissez faire market economy. With its introduction into the British economic system, privatization as a means to an end gained worldwide recognition and momentum. With such renewed momentum, laissez faire economic model spread across the world including African nations. To the Africans it became the new economic model for transforming the economy of African nations that was

based on the principles of nationalization model. The perceived efficacy of British privatization scheme that transformed fifty public companies into private companies with over ten million shareholders, raising more than £50 billion for the Exchequer, made the scheme to be attractive to African nations in contradistinction to the widespread nationalization of industries in Africa.

From 1988, the wave of privatization strongly overwhelmed the mind and perceptions of Nigerian policy makers who always look up to Britain as the initiator of viable economic models. In order to imitate the British privatization scheme, the Nigerian government set up the Technical Committee on Privatization and Commercialization (TCPC) to develop the blueprint for the implementation of the economic policy of privatization and deregulation. In 1999 under Obasanjo democratic regime, the TCPC metamorphosed into the Bureau for Public Enterprise (BPE) solely to implement the principles of laissez faire market economy and at the same time to dismantle the structure of nationalization policy of public enterprises. To this end many public corporation and enterprises were either deregulated or privatized. The relevant industries affected include: aviation, banking, education, entertainment, insurance, health, manufacturing, power, telecommunication, transport and downstream petroleum industry. Indeed, Nigeria privatized virtually most aspects of its economic and social systems contrary to the British scheme that focused on specific areas like aerospace, gas, petroleum, steel, power, water and mining industries.

In Britain and Latin America, the goals of privatization were clearly specified and focused towards achieving economic growth, while in Nigeria the goals were clouded with controversy and unclear vision. In the United Kingdom, laissez faire privatization model was introduced to relieve government of subsidy and budgetary burdens. The Nigerian case was hinged on a multiplicity of competing and contradictory issues like employment generation, development of capital market, debt reduction, containment of corruption and the search for performance, transparency and accountability. The policy of the government is to make Nigeria a private sector driven economy where the duty of the state is narrowed down only to regulate economic activities while leaving the running of business to private individuals. This assumption is built on the premise that government has no business in business because the state is incapable of running a lucrative business. This prompted the transfers of ownership of production and control of enterprises from the state to the private sector. This perception and premises have generated strong controversy and unexpected negative impact on the economic and political systems in Nigeria.

However, privatization in Nigeria was accompanied by negative economic policy of mass retrenchment and sale of lucrative public enterprises to a few privileged elites, thereby making a few people rich at the expense of vast majority who consistently wallow in poverty. This, in addition have made unemployment higher and poverty deeper; negatively transformed Nigeria into the poverty headquarter of the world making it very difficult for the masses to fulfil their basic needs, goals and aspiration. This has created a huge gap between expected need satisfaction and actual need satisfaction. The resultant tendency is for the people to

confront aggressively those they hold responsible for frustrating their goals and ambitions. Hence poverty, mass unemployment, economic hopelessness and frustration generate aggressive inclinations towards violent behaviours, terrorism, insurgencies, banditry, kidnapping and violent demonstration against the Nigeria state. These violent attitudes and behaviour arouses new trends of political terror in Nigeria that take the form and shape of Boko Haram terrorism in North East, banditry in Zamfara State and Katsina State as well as kidnapping and other forms of violent revolt against the state. Therefore, this study looks at the relationship between laissez faire economic policy and the high rate of terror and political crisis in Nigeria.

Methodology

Given nature of the topic, the study makes use of qualitative methodology in the collection and analysis of data in order to arrive at precise results free from elements of bias. According to Hox and Boeije (2005), qualitative methods allow the researcher to examine a given phenomenon, so as to give meaning and insight to its occurrence and its effects on the political system. The data used in this study were sourced from secondary sources. We made use of reports from National Bureau of Statistics, government committee reports on privatization and commercialization, periodicals, journals, concept papers as well as textbooks and opinions of top government officials in Nigeria. To this end, we conducted interviews and organized focus group discussions on the subject area, which include professionals and experts from the academia. We carried out precise analysis of the variables by using the techniques of content analysis. Through this method the researcher obtained results that are valid and reliable.

Laissez Faire Economy and the Quest for Liberalization in Nigeria.

Prior to the economic ideological breakthrough of 1776 which Frederick Watkins referred to as 'the year One of the Age of ideology', mercantilism was seen as a leading ideological force that drove the economic policies of nations in their struggle for politico-economic supremacy. The true wealth and political power of nations were measured in terms of the amount of gold and silver they amass and not in the amount of goods and services the people produce. The bullion in a nation's treasury determined whether a country was rich or poor. Based on this premise of mercantilism, Spain and France pursued mercantilist policies by means of government supervision of the economy with plans, grants of monopoly, subsidies, tariffs and other restraints on trade (Roskin, Cord and Medeiros, 2008).

In modern African economy, mercantilism took the form of monopoly, subsidies and strategic use of tariffs by the government to propel socio-economic development and to guard against the control of the economy by foreign powers and multinational economic actors or capitalists. To sustain these goals in Nigeria, public enterprises were established and through the Indigenization Policy of 1972 it was institutionalized to accelerate the growth and expansion of Nigeria's public sector. This policy was designed as a mercantilist strategy to give the Nigerian government the power to control the commanding heights of the economy.

The policy further provided the much needed legal basis for extensive government participation in the ownership and control of significant sectors of the economy in order to increase her politico-economic power in the comity of nations as well as to reinforce her dominance of African economy (Okonkwo and Obidike, 2016) [16].

But with the demise of Cold War and the expansion of liberal ideologies in Africa, most African nations hurriedly moved from the dependency concept of import substitution and self reliance to conservative elements of laissez faire economic policy. There was need for government to minimize its intervention policy in the economy so as to maximize the hegemony of market forces as a catalyst that drives the economy. This new approach is based on the assumption that government intervention in the economy breeds inefficiency and lack of transparency that hinders economic growth. Ogundipe (1986) argued that government capital investment in public enterprises which totaled about 23 billion in 1985 contributed to increased government expenditures, budget deficits, lack of profitability and reliance of public enterprises on large government subsidies. Hence public enterprises suffer from gross mismanagement and consequently resulted to inefficiency in the use of productive capital which in turn weaken the ability of government to carry out its functions efficiently (World Bank, 1991) [25].

These perceived challenges and internal contradictions facilitated the structural change of policy from strategic mercantilist policy that encourage government extensive participation in the economy to a laissez faire economic policy that promotes liberalization of Nigeria's economic system and processes tailored after Adam Smith's classic laissez faire economics. Adam Smith believes that government interference retards economic growth because it creates public enterprise monopoly which limits or banish competition and with it efforts to produce new products and lower prices. In the effort to protect domestic industry by tariffs and subsidies, the economy stagnates. BY getting the government out of the economy, by letting the economy alone, economic growth and prosperity is encouraged and promoted. This ideology of liberalism took the name of privatization as practiced in Nigeria. To ensure that supply and demand determine prices and investment in Nigeria, the Structural Adjustment Programme (SAP) was introduced to quicken the transformation process into a laissez faire economy (Okonkwo and Obidike, 2016) [16].

The public enterprise reform was an integral part of the Structural Adjustment Programme in 1986 which introduced privatization as the framework of macroeconomic reform. It involves the transfer of ownership and controlling share from public to private sector in order to raise revenue for the state, promote economic efficiency, reduce government interference in the economy and to subject public enterprises to market discipline. Therefore, the Structural Adjustment and the privatization process is driven by the free-market ideology of the laissez faire classical economic theory, which favours the unleashing of the competitive profit motive by emancipating free-market pricing from the interfering hands of state regulation (Samuelson, 1980) [23]. Privatization according to this theory would help Nigeria reap the advantages of the market system and competition, namely effectiveness,

productivity and efficient service delivery. It would also strengthen market forces with some degree of deregulation, economic liberalization, relaxation of wage and price controls (Okonkwo and Obidike, 2016) [16].

Though privatization was the key element of economic liberalization in Nigeria, the Structural Adjustment Programme opened up the economy for the implementation of laissez faire classic economic policies as posited by Adam Smith in his book 'The Wealth of Nations'. Smith reasoned that demand and supply determine prices better than any government official. In the same line of thought, Thomas Jefferson argues that 'government is best that governs least'. Nigeria took to classic liberalism like a duck takes water by implementing the Structural Adjustment based on the premise that 'government has no business in business'. Such perception influenced and shaped their understanding of the principles of laissez faire economy. The laissez faire classic economic policies introduced and institutionalized in Nigeria include but not limited to the following:

Removal of Subsidies on Petroleum Products and Fertilizers

As part of the IMF-World Bank requirements for a reduction in government expenditure, the subsidy on petroleum products was reduced. Such oil subsidy removal has been consistent from 1973 to date, but our scope will be limited to the period of 1999-2019 to show its effects on the democratic political system. The increase in fuel prices is a key catalyst that drives frustration and triggers off aggressive behaviour by the mass against the state and its political elites. The governing elites from Obasanjo regime to Buhari administration are grossly involved in the politics of fuel subsidy removal as shown in the table below:

Table 1

Regime	Year	Fuel Price Increase	Inflationary Rate
Obasanjo	June 1, 2000	N20-N30	6.93
	June 8, 2000	N30-N22	
	January 1, 2002	N22-N26	12.88
	June 2003	N26-N42	14.03
	May 29, 2004	N42-N50	15.00
	August 25, 2004	N50-N65	
	May 27, 2007	N65-N75	
Yar'Adua	June 2007	N75-N65	5.38
Jonathan	January 1, 2012	N141	12.22
	January 17, 2012	N97	
	February 2015	N87	9.02
Buhari	May 11, 2016	N87-N145	15.70

Source of inflation figures: Index Mundi

Olorunfemi (2012) argues that inflation rate fluctuates whenever there is increase in fuel prices. The increase in the price of fuel automatically reduce the purchasing power of Nigeria. In his contribution, Ocheni (2015) [11] affirms that the increase of fuel price by 49% by Jonathan administration from N65 to N97 as indicated in the table above trimmed down the purchasing power of the mass; while the the increment from N87 to N145 by Buhari regime not only increased the inflationary rate from 9.02 to 15.70 but also brought in harsh economic conditions, poverty and suffering to Nigerians.

Again in April 2019, IMF advised Nigeria government to further remove fuel subsidy as part of strategies to boost revenue (Odunsi,2019) ^[12].

This would push the fuel price above N185, adding more sorrow and pain to the masses, which would invariably escalate the current political tension and crisis Nigeria as the masses may likely revolt. This is because according to Onwioduokitanda and Adenuga (2012), fuel price increase has the following negative effects: Increase in cost of production, increase in cost of transportation, increase in cost of living and increase in corruption. The cumulative implications of these identified consequences of subsidy removal leads to job loses as companies are forced to downsize, while low income earners spend more on transportation with little or nothing to feed their families as their children drop out of school. Hunger and starvation are ravaging Nigerians because an average family spends about 50% of their meager income on fuel, thereby increasing the level of aggressive behaviour and political protests against the state and its institutions of governance (Ocheni,2015) ^[11].

Second-tier Foreign Exchange Market Operations

The variable that continues to aggravate inflationary situations in Nigeria is the introduction of laissez faire principles in the operation of foreign exchange market in Nigeria (Anyanwu,1987). The Second Tier Foreign Exchange Market (SFEM) is a form of dual exchange rate system initiated by the government to find a market rate for the Naira. Prior to SFEM, the government through the Central Bank fixed the exchange rate which was 99 cents in May 1986. The introduction of SFEM was to deregulate the financial sector and allow market forces to determine the exchange rate. By this scheme, the value of Naira was determined by weekly auction and the highest bids receive not more than 10% of the allocation. The system led to the devaluation of the naira with rates determined by bids, marginal pricing and dutch auction (Akpan, 2008).

However, the Nigeria foreign exchange market has witnessed tremendous changes from SFEM in 1986 to the introduction of unified official market in 1987, the autonomous Foreign Exchange Market (AFEM) in 1995 and the inter bank Foreign Exchange Market (IFEM) in 1999. All these were attempts at deregulating the financial system in Nigeria. Since 1986, the naira exchange rate with the US dollar and other currencies has been unpredictable and unrealistic leading to geometric devaluation of Nigerian currency as shown in the table below:

Table 2

Exchange Rate System	Year	Rate of Devaluation: Naira per US\$
CBN Fixed Rate	1985	0.89
SFEM	1986	2.02
Unified Official Market	1987	4.02
AFEM	1995	21.89
IFEM	1999	21.89
Harmonization of Exchange rates	2009	147
Interbank and WDAS	2014	164
Forex Rationing	2019	305

Source: Wikipedia and Fawenhimi (2015)

From the above table, it shows that the introduction of laissez faire policy of Adam Smith's concept of invisible hands of demand and supply as a regulator of the economy into Nigerian financial market has resulted into the geometric depreciation/devaluation of Naira from 0.89 Kobo per US dollar in 1985 to an unpredictable N305 per US dollar in 2019. This has created enormous challenges not only to the economy but has impacted negatively on the socio-political system resulting into inherent crisis. This is because the more the naira depreciates the higher the rate of inflation.

Similarly, the Bureau of Statistics announced an inflation rate 16.25% is factored in the 33% depreciation that accompanied the devaluation of the naira from N197 to the dollar to N305 in 2016. The inflation gave rise to higher manufacturing costs and sales prices (Lekan, 2017). The consistent depreciation of naira has impacted negatively on domestic industries that depend primarily on imported inputs, machineries and raw materials. Because of the weak exchange potentials of naira to US dollar, the cost of such inputs have risen leading to high cost of production, higher prices and loss of jobs. This has resulted to increased level of poverty, youth restiveness and mass unemployment in Nigeria. Therefore, devaluation is one of the variable that insidiously drive irregular migration, brain drain and local scarcity of foodstuffs as well as imported goods and services. Hence, the high level of social crisis and political unrest in the country.

Trade Liberalization

Adam Smith in his discourse on laissez faire economy advocates for trade liberation as an economic strategy to boost the wealth of nations and to promote competition in international economic relations. The Nigeria state embraced Smith's idea of trade liberation as a strategy to encourage exports in a country that depends solely on crude oil for its export earnings. Adam Smith's idea was productive in Europe because European states were highly industrialized, but its application to Nigerian economy has created more problems than benefits since Nigeria economic base is not industrialized but a mono product economy that heavily depend on imports to satisfy its domestic demand and market.

Nigeria is a developing country endowed with great potentials to become a developed and industrialized nation. Nigeria has increased efforts towards promoting non-oil exports by harnessing her potentials in agriculture and agro-industries in order to move from being exporter of raw material to exporter of value added agricultural products. The government is implementing a mix of micro-economic and trade policies with a view to revamping the economy and improving the welfare of the people. Therefore, the Buhari administration has initiated the Home Grown Feeding Programme which is designed to put an end importation and market monopoly of farm produce that can be grown locally and to boost job creation across the country. The administration also established 10 large scale rice processing plants and 6 high quality cassava flour plants operated by private sector and funded by the Special Rice Processing Intervention Fund and the World Bank Assisted Agricultural Development Policy Operation Funds (Business News, 2018) ^[3]. For the above reason, real GDP in agriculture grew by 4.11% in the year

2016 and this growth was higher than that recorded in 2015 of 3.72% (Business News, 2018) [3]. Agriculture contributed 21.26% to nominal GDP in 2016 and grew by 6.45% year-on-year. Also Nigeria's milled rice production increased by 60% from 2.5 million metric ton in 2015 to 4 million metric ton in 2017 (Business News, 2018) [3]. Hence The Green Alternative (TGA) was initiated to build an agri-business economy capable of delivering sustained prosperity by meeting domestic food security goals, generate exports, support sustainable income and job. In addition, the non-oil sector recorded a growth rate of 2% in 2018, performing considerably better than 0.47% in 2017. For 2018, annual contribution of the non-oil sector was 91.40% compared to 91.33% in 2017 (Nigeria Bureau of Statistics, 2018).

Though trade liberalization impacted positively on the economy as seen from the above analysis, but such liberal policies seem to be implemented within a framework of weak economic structure, hence Nigeria enterprises find it difficult to strive and compete in global or regional economy. The consequent competition for increased imports of inputs and manufactured items has put pressure on scarce foreign exchange has led to increased costs of inputs. manufactured products and raw materials. Also, increased costs of importation have led to higher shortages of forex and economic recession in Nigeria. Moreover, the volume of Nigeria's major export and revenue earner, oil, is determined by its OPEC quota, hence trade liberalization does not bring about sustainable growth to Nigeria's economy as posited by Adam Smith.

Laissez Faire Economy and New Trends of Socio-Political Conflicts in Nigeria

Adam Smith doctrine of minimal government, which the Nigeria government interpreted to mean 'government has no business in business', has expelled the government from the market place. It was clear by the late 19th century that the free market was not as self-regulating as Smith had thought. Competition was imperfect since manufacturers rigged the market. The same imperfect economic environment is seen in Nigeria contemporary economic system. The implementation of classic liberalism of Adam Smith created big private sector monopoly in electric, telecommunication and cement sectors of the economy and also produced large underclass of the terribly poor in Nigeria. Class position is highly institutionalized, while eliminating the middle class structure, wherein there is only two classes: the rich and the poor. Children of better-off families got good education and the right connection to stay on top. Moreo, classic liberalism has brought about recurring economic depression in Nigeria that painfully hurt the poor and the working class. Therefore, the laissez faire economy has created some problems in Nigeria, which include but not limited to the followings:

The first underlying consequence of classic Laissez faire policies in Nigeria is the generation of mass poverty in the society. A new report by the World Poverty Clock shows that Nigeria has overtaken India as the country with the most extreme poor people in the world. India has a population seven times larger than Nigeria. As at June 2018, people living in extreme poverty in Nigeria is 86.9 million, followed by India with 71.5 million and Democratic Republic of Congo

60.9 million. The 86.9 million Nigerians living in extreme poverty represents nearly 50% of its estimated 180 million population (Kazeem, 2018). The table below shows top 5 African countries with extreme poverty (June 2018):

Table 3

No	African Countries	People Living in Extreme Poverty (million)
1	Nigeria	86.9
2	Democratic Republic of Congo	60.9
3	Ethiopia	23.9
4	Tanzania	19.9
	Mozambique	17.8

Source: Kazeem, 2018

However, the laissez faire policy of privatization, deregulation of interest rates and removal of fuel subsidy were aimed at delivering Nigeria from economic quagmire but these policies have ended up pushing Nigeria into becoming the poverty capital of the world as indicated in the above table. The privatization programme and the emergence of independent fuel marketers only ended up providing some influential political actors the opportunity to acquire public corporations at cheap prices, increasing tariffs and service charges to maximize profits while the majority of Nigerians are thrown into the web of preventable extreme poverty.

The rich gets richer. the poor gets poorer, exploited and excluded from the economic process on daily basis, resulting in over 50% of Nigerians living in extreme poverty. A close look at NEPA shows that despite the fact that many workers were laid-off and thrown into the poverty web, people are still over-billed and electricity not adequately provided, yet Nigerians resort to the use of generators. An average family spends over 50% of their income in paying over-estimated bills and buying of fuel for generators, they are left with little or nothing to cater for the welfare of their children, who live in squalor, hunger and consistently impoverished by government policies of economic liberalism (Eke, 2017).

Another implication of Laissez faire economic policies in Nigeria, is its tendencies in generating mass unemployment in the society. Through the instrument of economic liberalism, there is a decline in the country's economic which is struggling to recover from recession. A lot of people have been laid off, while new jobs were not created. Most companies laid off employees because they can't afford a lot of workers. According to the National Bureau of Statistics, 38% of the population that falls within the employable age are unemployed and 65% of Nigerian youth face unemployment as at 2016. In 2019, the unemployment rate is 23.1% and is expected to increase to 33.5% in 2020, while under-employment is 16.6% (NBS Report, 2019). Despite of implementation of different job creation programmes such as the current National Social Investment programme, the unemployment rate continue to grow at alarming rate because of the structural weakness of Nigeria economy brought about by the stagnation instruments of laissez faire economic policies of deregulation and liberalization (Agency Report, 2019) [2].

About two in five companies privatized by the Bureau for

Public Enterprises (BPE) since inception are not performing. According to the BPE since 2004, 142 public enterprises were privatized, 52 of them representing 37% of total privatized companies in Nigeria are not performing and unable to employ new staff, hence most of the staff are being laid off (Olawoyin, 2018) ^[18]. Therefore, the consequences of unemployment in Nigeria include: reduction in the national output of goods and services, increase in rural-urban migration as seen in the farmers-herders conflict, increase in the number of dependent people and out of school children as well as high rate of crime such as kidnapping and banditry in Nigeria.

However, poverty and lack of employment opportunities are the fundamental catalysts that trigger off cataclysmic rise in violent crimes in Nigeria particularly frequent acts of violent kidnapping and banditry which has become not only a threat to national security but also to values of national unity. Kidnapping has become the most pervasive and intractable violent crime in the country targeted at individuals, school children and groups. The prime targets of kidnapping for ransom are those considered to be wealthy enough to pay a fee in exchange for being freed. Since kidnapping is seen as an act of unlawful detention of a person through the use of force or threats for the purpose of economic or material gain, the jobless youths who have been excluded from the economic process use it as an instrument to acquire monetary payoff from wealthy individuals. Hence, kidnapping has become a mechanism through which income or wealth is redistributed from the elites to the economically marginalized youths. Based on this premise, Nigeria has one of the world's highest rates of kidnap-for-ransom cases (Okoli, 2019) ^[15].

According to the Nigeria police, over 685 people were kidnapped across the country from January-April 2019. Zamfara state recorded the highest national kidnap rate with 281 victims. 79.8% of the national total of kidnapping were recorded in the three northern geo-political zones with the northwest where over 365 people were kidnapped. With the institutionalization of laissez faire economic reforms and the sudden rise of poverty and unemployment in Nigeria, kidnapping and violent crimes has increased. According to the United Nations Office on Drugs and Crime, kidnapping for ransom has become increasingly common. 277 kidnappings were reported in 2007, 309 in 2008, 703 in 2010 and tremendously increased to 886 in 2015 and 685 as at April 2019. These figures shows that as the rate of poverty and unemployment increase, the rate of kidnapping escalates, indicating a correlation between poverty and kidnapping (Toromade, 2019) ^[24].

Similarly, Chris Ngige, Nigeria's labour and employment minister affirms that terrorism in Nigeria is a symptom of joblessness and mass unemployment. Because of the structural deficiency of Nigeria's economy brought about by serial laissez faire economic reforms, Boko Haram terrorism is dealing a big blow to the security of lives and property in Nigeria. (Sahara Reporters, 2019) ^[21-22]. This implies that the root cause of Boko Haram terrorism is the geometric rise in poverty and unemployment. More than 35,000 people have been killed and over two million others displaced by Boko Haram terrorism, thereby sparking a dire humanitarian and national security crisis in Nigeria (Fergus, 2019) ^[7]. In 2018, UNICEF reported that Boko Haram had kidnapped more

than 1000 children since 2013, including 276 girls from Chibok in Borno state and 113 girls from Dapchi in Yobe state. The group have kidnapped several hundred people over the past five years in attacks on villages in northeast Nigeria and neighbouring countries of Niger and Chad (Okereke and Assanvo, 2019) ^[14]. According to the International Committee of the Red Cross, about 22,000 Nigerians have been missing due to the activities of Boko Haram; 60% were minors at the time they went missing. meaning that thousands of parents don't know where their children are and if they are alive or dead. This is the worst nightmare Nigerians are passing through, with a multiplier effect on school enrollment and girl child education (Sahara Reporters, 2019) ^[21-22]. Therefore, Boko Haram has become a cancer that is eating up the fabrics of Nigeria's national security structure and its politico-economic base.

As the Nigeria state is struggling to contain the terrorist activities of Boko Haram, a new form highly organised violent crime emerges creating high intensity tension of perverse insecurity across the country. Bandits have emerged as the new bogeman for insecurity in Nigeria, joining a long list that includes Boko Haram, cultists, herdsmen, kidnapers and militants. Their activities is localized in different parts of the northwest from Kaduna to Zamfara. In reality, its root cause is attributed to the crisis of poverty, unemployment and ungoverned spaces in northern Nigeria (Odinkalu, 2018) ^[13]. As the poverty index in northern Nigeria deepens, the rate of banditry activities increases, because it is driven by criminal intent to steal and plunder. It is motivated by the quest for economic accumulation. The victims are individuals and communities with material valuables. The tactics they use in forcefully depriving individuals or groups their money, resources or valuables include armed robbery, kidnapping, cattle rustling and village raids. Bandits terrorize villages with impunity and setting up fortified enclaves in the hinterland and on the frontiers, from where they plot and carry out their operation with minimal deterrence from the security operatives. This situation is made worse by the absence of effective community policing mechanism (Odinkalu, 2018) ^[13].

Rural banditry in the northern states of Zamfara, Kaduna and Katsina has reached alarming heights in recent years because of the harsh economic conditions in the country. The United Kingdom's Oxford University in its human development initiative, multidimensional poverty index data bank reported in 2017 that northern Nigeria performed very poorly, posting 85.36% poverty on the average. Six among the 19 states were rated 'worse states'. Zamfara state where banditry is high is the poorest, posting 92% poverty and Katsina state where bandits kidnapped President Buhari's nephew posted 82.2% poverty. In this regard, Nigeria, despite being Africa's largest economy with current GDP of US\$460.66 billion, has a weak GDP per capita of US\$2,376, placing it among the world's poorest (Punch Editorial, 2018). From these data, it shows that poverty driven by the implementation of classic laissez faire economic reforms as noted above stimulate violent and aggressive behaviours from the citizens cumulating into organised crime and terrorist activities like Boko Haram, banditry, cultism, insurgency and kidnapping.

Conclusion

Having given an analytical insight into relationship between economic reforms and socio-political crisis, we discovered that in developing countries with weak industrial base; deregulation, privatization and trade liberalism make domestic industries depend primarily on imported inputs whose costs have risen geometrically leading to rise in production costs and higher prices of locally produced goods. This stifles their power to compete globally or regionally resulting in the collapse of many privatized public enterprises, job losses and pervasive increase in unemployment rate and frustration among the citizens. This causes a disequilibrium between expected needs satisfaction and actual needs satisfaction. Therefore, frustration generates aggressive inclinations to the degree that it always arouses negative attitude to violent conflict in form of Bokoharam terrorism, kidnapping, cultism, banditry and herdsman acts of terror against the society. The implementation of laissez faire economic reforms by successive governments from Obasanjo regime to the present government is the insidious catalyst that triggers off poverty and crisis in Nigeria cumulating in pervasive insecurity, high intensity violence and threat to sub-regional security in West Africa. Based on the above analysis, we conclude that in Nigeria, there is a correlation between classic economic reforms and socio-political crisis. Therefore, we recommend a shift from conservative classic laissez faire doctrine of minimal government to modern liberalism where government strategically participate in the market not only as a player but also to regulate unfair economic system, poverty and unemployment. This will help to reduce stress and frustration in the socio-political system as well as a bulwark against violent behaviour, insecurity and organised crime in Nigerian society.

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